

## Safety Maintenance Account through month of May 2019

	<u>Fiscal Year 2018-19</u>		<u>Fiscal Year 2017-18</u>	<u>All Activity Since Act 40 Inception (1)</u>
	<u>Month of May</u>	<u>Fiscal Year Year to Date</u>	<u>Total for Fiscal Year</u>	
<b>Beginning balance.....</b>	\$ 4,684,842	\$ 16,507,090	\$ —	\$ —
<b><u>Receipts</u></b>				
Out of state registrations.....	1,571,750	16,684,250	16,456,211	33,140,461
Investment earnings on Safety Maintenance Account balances.....	94,648	408,501	50,879	459,380
IMTF transfer to cover shortfall (2).....	—	12,751,399	—	12,751,399
<b>Total Receipts.....</b>	<b>1,666,398</b>	<b>29,844,150</b>	<b>16,507,090</b>	<b>46,351,240</b>
<b><u>Disbursements</u></b>				
Transfer to Department of Revenue to fund estimated Preventative Maintenance Tax Credits (3).....	—	(40,000,000)	—	(40,000,000)
<b>Ending balance.....</b>	<b>\$ 6,351,240</b>	<b>\$ 6,351,240</b>	<b>\$ 16,507,090</b>	<b>\$ 6,351,240</b>

(1 ) Act 40 — the South Carolina Infrastructure and Economic Development Reform Act — became effective July 1, 2017. Act 40 established the Safety Maintenance Account and provided that registration fees deposited into the Safety Maintenance Account, which are derived from vehicles originally registered in another state and then subsequently registered in South Carolina, can be used only to fund state individual income tax credits for preventative maintenance costs incurred on private passenger vehicles.

(2) For FY2018-19, available funds in the Safety Maintenance Account were not sufficient to fund an anticipated \$40 million of Preventative Maintenance Tax Credits (*individual income tax credit starting with 2018 tax year*) that were estimated by the S.C. Revenue and Fiscal Affairs Office. As a result, in January 2019, \$12,751,399 was transferred from the Infrastructure Maintenance Trust Fund (IMTF) to the Safety Maintenance Account to cover the anticipated shortfall as directed by Proviso 84.15 of the FY2018-19 General Appropriations Act.

(3) \$40 million was transferred to the Department of Revenue in FY2018-19 to fund anticipated Preventative Maintenance Tax Credits as estimated by the S.C. Revenue and Fiscal Affairs Office. From that amount, credits totalling \$1.6 million have been refunded to taxpayers through April 30, 2019. We will provide updated totals as information becomes available.